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The Implementation of Good University Governance in State Universities

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Abstract

This study aims to determine the differences in the implementation of good university governance at state universities in South Sumatra and Bangka Belitung. The state universities were Bangka Belitung University, Sriwijaya University, Sriwijaya State Polytechnic, and Bangka Belitung Manufacturing Polytechnic. The principles of good university governance in this study include governance structure, autonomy, accountability, leadership, and transparency. The respondents of the study were structural officials. Research data were collected using a questionnaire. The analysis used Friedman different test because the groups comprised new and long-established state universities. The results of the analysis indicate that accountability and transparency in the implementation of good university governance in Bangka Belitung University are different from those in Sriwijaya University. Meanwhile, the implementation of good university governance in Sriwijaya Polytechnic is similar to that in Bangka Belitung Manufacturing Polytechnic.

Introduction

Currently, the Southeast Asian countries are facing the Association of Southeast Asian Nations (ASEAN) Community, including Indonesia. In relation to that preparations have been made in each country in terms of human resources to face the tough labor market competition in the Southeast Asian region. According to Nulhaqim et al. (2015), the competition of skilled labors from ASEAN member countries requires quality workforce. The quality of the workforce must be supported by the quality of education provided by each country. With good quality of education, the countries can prepare their human resources to compete in the ASEAN labor market.

The Indonesian higher education is regulated in the Law of the Republic of Indonesia Number 12 of 2012, which covers the autonomy of universities, both

State Universities (PTN) and private universities. The autonomy of the tertiary institutions refers to the autonomy of the academic and non-academic fields (Law No. 12 of 2012). The 2017 educational statistics indicates the development of tertiary institutions in Indonesia, as presented in Table.1

Table 1. The Development of Higher Education Institutions in Indonesia

| Higher Education Institutions | 2015 | 2016 | 2017 |
|--------------------------------------|-------|-------|-------|
| State Higher Education Institutions | 122 | 122 | 122 |
| Private Higher Education Institution | 3.124 | 3.153 | 3.154 |
| Amount | 3.246 | 3.275 | 3.276 |

Source: Ministry of Research, Technology and Higher Education (2017)

As Table 1 shows, the number of tertiary educational institutions in Indonesia from 2015 to 2016 was 0.89 percent while 2016 to 2017 was 0.03 percent. Although the number of Indonesian universities increases every year, especially private universities, the number is not followed by the quality improvement of higher education institutions. This is characterized by the low competitiveness of Indonesian universities in the international circles (Rahayuningtyas & Triana 2017). According to Constantia (2009), universities also face the competition, similar to other entities. The competition faced by universities includes the growth of higher education, the challenge of attracting prospective students and professors as educators, and strengthening funds. One of the mechanisms of universities in facing this competition is by displaying the advantages and resources they possess (Tobari, 2015; Kartikasari & Hidayat, 2014).

The results of assessments by the Financial Examination Agency, the Republic of Indonesia (2015) state that there are still many problems and weak management of Higher Education Institutions due to weak internal controls not compliant with the provisions of the legislation in the management of Higher Education Institutions in Indonesia (Indonesian Inspection Agency, 2015). The higher education autonomy will open up areas of improvement and competition, but the condition is still limited by state-driven higher education policies and increasing interventions related to external quality assurance (Hénard & Mitterle, 2010). Actuality and education providers in Indonesia face a number of obstacles, both in terms of policy, implementation, supervision, and evaluation (Government Regulation No. 4 of 2014). This condition demands that optimization of the application of the principles of Good University Governance (GUG) be carried out. According to Amilin (2016) and Suryani (2015), the principles of governance include transparency, accountability, responsibility, efficiency, fairness, and reward-punishment.

1 Good University Governance (GUG) is a concept adopted from Good Corporate

1 Governance (GCG). Corporate Governance is not a new issue compared to the issue of University Governance, because previous studies on Good University Governance have not been widely publicized. Likewise, research on university governance provides an important contribution for university managers as one of the references in managing a good tertiary institution.

Good governance in higher education is defined by Kohler (2006) as being follows: Which are concerned with the identification, validation, and realization of those prerequisites and consequences and of that culture and those which play to institutional autonomy and individual freedom in their constituents with the public responsibility of the institution to be governed.

Similarly, universities in Bangka Belitung and South Sumatra are required to improve their process quality. State universities in Bangka Belitung, manufacturing polytechnics (POLMAN) and Bangka Belitung University (UBB), are new state universities that changed their status from private to state higher education institutions. Therefore, the management undergoes changes in

accordance with the applicable rules. The two institutions need to be adjusted to carry out their operational activities. Meanwhile, universities in South Sumatra Province include Sriwijaya University (UNSRI) and Sriwijaya State Polytechnic (POLSRI); both of which are long-established universities. Thus, the management is quite good.

According to Webometrics (2018), the four institutions were not ranked in the 50 largest universities in Indonesia, with the following scores: 1) ranked 65th Sriwijaya University, 2) ranked 91th Sriwijaya State Polytechnic, 3) ranked 187th Bangka Belitung University and 4) Bangka Belitung State Manufacturing Polytechnic. Due to this condition, the four universities must continuously improve the quantity and quality of the graduates so that they can compete at the national and international levels.

This study refers to Amilin's research (2016) suggesting that the principles of good university governance affect managerial performance, and research by Sutanto and Putri (2010) which show that centralization of operations and academic decentralization affect the optimization of GUG. Qualitative research by Saiti et al. (2018) conducted in two countries, England and Greece, with organizational techniques and methods (O and M). The results of higher education management in each country were different due to cultural and ideological perceptions so that they need to develop models of more effective and constructive university governance for meeting the interests of the community. Bingab et al's (2018) qualitative study focused on the issues of funding, accountability, infrastructure, trust and regulation that can complement the governance of universities in Ghana. The novelty of this research is the quantitative method used with Friedman different tests from four universities, both polytechnics and universities. Its uniqueness derives from testing a new state university with a long-standing state university. Therefore, the purpose of this study is to analyze and test the differences in the application of good university governance at universities in South Sumatra and Bangka Belitung.

Literature review

The grand theory used in this study is agency theory which proposes agency relation as a contract where one or more (principals) hire people (agents) to do some services for their benefit by delegating some decision-making authority. According to Jensen and Meckling (1976), agency relationships are under the contract; the principal delegates some decision making authority to the agent. The relationship with public sector accounting has a role in overcoming the problems between agents and principals through governance mechanisms. As the manifestation of the agent's responsibility towards the principal, the agent carries out good governance where the agent here is the management of the university while the principal is the government.

Good University Governance (GUG), according to Kersbergen and Waarden (2004), refers to governance which occurs in privately, semi-privately and public environments at different levels (global, international, national, regional, local, organization). Governance is the structure and process by which an organization is directed and controlled so that organizational goals can be achieved. Good governance can guarantee organizations to 1) be able to deliver goods, services or programs effectively and efficiently, 2) be able to create good performance and 3) be able to meet legal requirements and issued regulations (Learnmount, 2004)

In simple terms, Good University Governance (GUG) can be seen as the implementation of the basic principles of good governance in the governance system and process in universities. According to Martini, Sari, and Wardhani, (2015), the principles of good university governance are the structure of governance, autonomy, accountability, transparency, leadership,

Methods

This research was conducted at Sriwijaya University, Bangka Belitung University, Sriwijaya State Polytechnic, and Bangka Belitung Manufacturing Polytechnic. It involved Chancellor, Deputy Chancellor, Director, Deputy Director, Dean, Deputy Dean, and Heads of Department. The research data were analyzed using Friedman different test so that differences in the structure of governance, autonomy, accountability, transparency, and leadership can be seen. The Friedman test determined whether different ranking columns (samples) come from the same population, by testing whether the total rank (R_j) differs significantly by calculating Friedman's statistical values (Cleophas & Zwinderman, 2012; Bryman & Bell, 2015):

$$\chi^2 = \frac{12}{bk(k+1)} \sum_{j=1}^k R_j^2 - 3b(k+1)$$

Where: b (many groups), k (number of treatments), R_j (number of ranks the i and t treatments (the number of observations is of the same value).

The rejection of the null hypothesis implies that the number of ranks for various columns differs significantly. So, the score is dependent on the conditions used to get the scores. The purpose of the Friedman test is to see whether or not there are differences in effects between treatments. Therefore, it does not require the assumption of normal distribution and unknown population variance (Sujarweni, 2015). The provisions of the Friedman test have the following criteria: if the probability is $> 0,05$, then H_0 is accepted and if the probability is $< 0,05$, then H_0 is rejected. The research hypothesis in this study is H_0 : there is no difference between H1 universities: there is a difference between universities.

Before conducting the Friedman test, the validity and reliability were tested. The validity testing was conducted to find out whether the contents of the questionnaire were right to measure what the research wanted to measure and adequately understand, indicated by the small percentage of answers that did not deviate from the answers of other respondents. On the other hand, the reliability test is a measurement of the reliability of an instrument using Cronbach Alpha. Data are said to be reliable if the Cronbach Alpha value is greater than 0,06.

Results and discussions

The results of the validity test are shown by a small number of answers that did not deviate too much from the responses of other respondents. If the correlation of each positive factor and significance $< 0,05$, it can be said that this study is valid. Similarly, the result of the reliability test of the cronbach alpha value of all questions is above 0,06. So, it can be concluded that the data are reliable and can be analyzed further. The analysis was done by using a different test analysis between Sriwijaya University and Bangka Belitung University, and Sriwijaya Polytechnic with Bangka Belitung Manufacturing Polytechnic. The results of various tests of Sriwijaya University and the University of Bangka Belitung with the variables of governance, autonomy, accountability, leadership and transparency can be seen in Table. 2.

Table 2. Good University Governance Difference Test of Sriwijaya University with Bangka Belitung University

| Information | University | Mean Rank | Chi Square | Asymp.Sig. |
|----------------------|----------------------------|-----------|------------|------------|
| Governance Structure | Sriwijaya University | 1,60 | 1,200 | 0,273 |
| | Bangka Belitung University | 1,40 | | |
| Autonomy | Sriwijaya University | 1,47 | 0,133 | 0,715 |
| | Bangka Belitung University | 1,53 | | |
| Accountability | Sriwijaya University | 1,23 | 8,533 | 0,273 |
| | Bangka Belitung University | 1,77 | | |
| Leadership | Sriwijaya University | 1,77 | 0,000 | 1,000 |
| | Bangka Belitung University | 1,83 | | |
| Transparency | Sriwijaya University | 1,50 | 0,000 | 0,000 |
| | Bangka Belitung University | 1,50 | | |

Source: Data processed, 2018

Based on the table above, the two-sided asymptotic significance column for governance, autonomy, and leadership structures has a probability value above 0.05. Then, H_0 is accepted. This means that the application of good university governance with the principle of governance, autonomy and leadership structure at Sriwijaya University and Bangka Belitung University is not different. Meanwhile, accountability and transparency have a probability value below 0.05. So, H_0 is rejected. This means that the application of good university governance related to the principles of accountability and leadership at Sriwijaya University (UNSRI) is different from that at Bangka Belitung University (UBB).

There are differences between Sriwijaya University and Bangka Belitung University regarding the application of good university governance in terms of transparency and accountability because Bangka Belitung University, which is a new state university established in 2010, faces many problems in its management. The accountability of UBB is different from that of UNSRI because the resources which the lecturers and employees of UBB have are not in accordance with the standards set by the regulator or the government. Then, the governance system in UBB has not guaranteed accountability because there are still employees and lecturers whose employment status is not clear yet so that this issue disrupts the performance of the university in terms of accountability and assessment of the performance of the leadership of the university and faculty is not optimal. Meanwhile, UNSRI has been quite accountable. This is because the resources owned are in accordance with the rules. The ease of accessing public information on UBB is not high quality for users because UBB is still developing its infrastructures or improving and providing facilities for teaching and learning process first.

Relevant and available information transparency will benefit the public in general. In this case, the rules and decisions are clearly available and disseminated (Sutanto and Puteri, 2010). The spirit of transparency has not been fully implemented at UBB. For example, students have never known about the implementation budget and the management of higher education at UBB. According to Education Law Number 12 of 2012 concerning higher education, accountability and transparency through the reporting of all campus activities, both academic and non-academic activities, must be done by this basis so that every state higher education institutions in Indonesia must refer to the regulation.

Furthermore, the results of different tests for Sriwijaya State Polytechnic with the Bangka Belitung Manufacturing Polytechnic can be seen in Table 3 as follows:

Table 3. Good University Governance Different Test of Sriwijaya State Polytechnic with Bangka Belitung Manufacturing Polytechnic

| Information | Polytechnic | Mean Rank | Chi-Square | Asymp.Sig. |
|----------------------|-----------------------------|-----------|------------|------------|
| Governance Structure | Sriwijaya State Polytechnic | 1,60 | 1,200 | 0,273 |
| | Bangka Belitung | | | |
| | Manufacturing Polytechnic | 1,40 | | |
| Autonomy | Sriwijaya State Polytechnic | 1,47 | 0,133 | 0,715 |
| | Bangka Belitung | | | |
| | Manufacturing Polytechnic | 1,53 | | |
| Accountability | Sriwijaya State Polytechnic | 1,37 | 2,133 | 0,144 |
| | Bangka Belitung | | | |
| | Manufacturing Polytechnic | 1,63 | | |
| Leadership | Sriwijaya State Polytechnic | 1,60 | 1,200 | 0,273 |
| | Bangka Belitung | | | |
| | Manufacturing Polytechnic | 1,40 | | |
| Transparency | Sriwijaya State Polytechnic | 1,57 | 0,533 | 0,465 |
| | Bangka Belitung | | | |
| | Manufacturing Polytechnic | 1,43 | | |

Source: Data processed, 2018

Different test results in Table 3 of Sriwijaya State Polytechnic and Bangka Belitung Manufacturing Polytechnic have a probability value above 0,05. Then, H_0 is accepted, which means that there is no difference in the structure of governance, autonomy, accolity, leadership and transparency from the application of good university governance. This is due to the fact that Bangka Belitung Manufacturing Polytechnic was previously a private institution owned by a State Enterprise (BUMN) which has a good governance system so that when Bangka Belitung Manufacturing Polytechnic was taken over by the Government, only a few needed to be adjusted to be applied, such as discipline, quality of institution and alumni or graduates who can compete those of other universities.

The results of different tests in this study show that this study supports the agency theory, especially for the principles of transparency and accountability of the implementation of GUG. There are differences not in accordance with the objectives of governance implemented by Bangka Belitung University and Sriwijaya University (Jensen & Meckling, 1976) but not supportive of research (Amilin, 2016) On the other hand, GUG at Sriwijaya State Polytechnic and Bangka Belitung Manufacturing Polytechnic, it does not support agency theory but supports the research (Amilin, 2016).

Conclusions

The accountability and transparency of University of Bangka Belitung and Sriwijaya University in terms of the application of Good University Governance are different because there are a number of rules that have not been maximally implemented in each of these universities. In reporting accountability, Bangka Belitung University is still not good. This is due to the lack of human resources managing reports.

University. Similar to transparency from the findings that there is still no transparency in budgeting for Bangka Belitung University because it has not involved the role of an internal

supervision unit. Future expectations for facing the world-class university need leadership commitment in implementing good university governance in terms of accountability and transparency by involving internal control unit. For further researchers with the same theme it is recommended to use the principles of good university governance in accordance with the Ministry of Research, Technology and Higher Education of the Republic of Indonesia with 8 principles, namely: transparency, accountability, responsibility, independence, fairness, quality assurance and relevance, effectiveness and efficiency and non-profit.

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